

Per California Code of Regulations, title 2, section 548.5, the following information will be posted to CalHR's Career Executive Assignment Action Proposals website for 30 calendar days when departments propose new CEA concepts or major revisions to existing CEA concepts. Presence of the department-submitted CEA Action Proposal information on CalHR's website does not indicate CalHR support for the proposal.

**A. GENERAL INFORMATION**

1. Date

2022-04-11

2. Department

California Department of Finance

3. Organizational Placement (Division/Branch/Office Name)

Office of State Audits and Evaluations

4. CEA Position Title

Assistant Chief

5. Summary of proposed position description and how it relates to the program's mission or purpose.  
(2-3 sentences)

This position is a critical and high level managerial position that will assist and support Finance in serving as the Governor's chief fiscal policy advisor and promoting long-term economic sustainability and responsible resource allocation. The position will represent Finance in presenting, recommending, and establishing significant policy relative to the department's and statewide audit program activities. This position will also oversee the performance of audits and evaluations to ensure compliance and consistency with audit policies and standards, and other statewide activities such as Redevelopment Dissolution, State Leadership Accountability Act, and Single Audit, and provide consulting, guidance, and technical advice to state entity management and state audit units.

6. Reports to: (Class Title/Level)

CEA, Level B, Chief, Office of State Audits and Evaluations

7. Relationship with Department Director (*Select one*)

- ☐ Member of department's Executive Management Team, and has frequent contact with director on a wide range of department-wide issues.
- ☒ Not a member of department's Executive Management Team but has frequent contact with the Executive Management Team on policy issues.

(*Explain*):

In absence of the Chief, this position will represent the OSAE Unit in meetings with the department's Executive Management Team on various program and policy issues. The position will also have sensitive contacts with the Governor's Office, the Legislature, top agency and departmental officials.

8. Organizational Level (*Select one*)

- ☐ 1st ☐ 2nd ☐ 3rd ☒ 4th ☐ 5th (mega departments only - 17,001+ allocated positions)

## B. SUMMARY OF REQUEST

### 9. What are the duties and responsibilities of the CEA position? Be specific and provide examples.

Under the general direction of the Audit Chief, CEA B, the Assistant Chief, CEA A, position will provide policy-influencing and decision making authority over the assignment area, provide technical policy advice, recommendations and guidance to executive management, and provide significant and complex consulting activities. The Assistant Chief will frequently interact with Finance executive leadership and staff, Governor's Office leadership and staff, state executives and staff, members of the Legislature and staff, federal, state and local entities, and members of special interest organizations. The Assistant Chief also serves as a resource for budget and other units within Finance by consulting on budget change proposals and bill analyses impacting statewide policy related to audits, State Leadership Accountability Act, COVID-19 federal funds, or Single Audit activities. Additionally, this person will assist in managing the day-to-day operations of the unit, long-range planning, directing and coordinating a variety of complex, technical financial and performance audits and Redevelopment Dissolution activities (RDA), and performing internal and external consulting activities with respect to Finance's statewide responsibilities.

Providing technical policy advice and guidance, and consulting activities include, but are not limited to, providing statewide oversight of the State Leadership Accountability Act, coordinating statewide Single Audit activities by collaborating with state entity leadership and the California State Auditor, developing and implementing a statewide monitoring framework and conducting audits of state entities or local governments' compliance with the federal funds received as a result of the COVID-19 Pandemic, and developing and issuing Audit Memos establishing statewide policy or providing guidance on statewide policy to state entities on various topics.

Assisting in the day-to-day operations of the unit includes managing and providing guidance to both professional and support staff and ensuring activities are completed accurately, timely, and in accordance with respective statutes, policies, or other applicable criteria and ensuring completed work products are written in a clear, concise, and logical manner and professionally convey conclusions reached and recommendations for operational improvements. Day-to-day operations also include the oversight of the unit's Quality Control System, which consists of the development of, implementation of, and compliance with established policies and procedures.

Long-range planning activities include assisting with the development and implementation of the unit's Annual Audit Plan, evaluating the knowledge, skills, and abilities of staff to properly allocate resources, and participating in the recruitment, hiring, and training and development of staff.

Directing and coordinating complex, technical financial and performance audits, RDA, and other statewide responsibilities includes ensuring the activities are completed accurately, timely, and in accordance with applicable auditing standards, statutes, policies, and contract agreements and overseeing the unit's response to requests of highly sensitive and confidential inquiries or reports of possible misuse of state funds by high level state officials, the results of which often result in new or revised departmental or statewide policies. Activities include but are not limited to:

- Financial Statement and Financial-Related Audits
- Compliance Reviews
- Performance Audits/Program Evaluations
- Redevelopment Dissolution
- Quality Assurance Reviews/Peer Reviews
- State Leadership Accountability Act Activities
- Single Audit Coordination

**B. SUMMARY OF REQUEST (continued)**

10. How critical is the program's mission or purpose to the department's mission as a whole? Include a description of the degree to which the program is critical to the department's mission.

- ☒ Program is directly related to department's primary mission and is critical to achieving the department's goals.
- ☐ Program is indirectly related to department's primary mission.
- ☐ Program plays a supporting role in achieving department's mission (i.e., budget, personnel, other admin functions).

Description: The allocation of the State's financial resources through the Governor's Budget and the fiscal analysis and determination of the Administration's position on legislation elicits the highest degree of controversy from governmental entities, special interest groups, employee organizations, the news media, and the general public. Policies, programs, and decisions affect the entire State, all of its governmental entities and population. This position will exercise policy influencing and decision-making authority over the assignment area. This position has mid and high level, sensitive contact with the Governor's Office, the Legislature, top agency and department officials, and other governmental entities and stakeholders concerning audit policies and procedures and applicable legislation which directly impacts the state's economy and fiscal health, especially as it relates to misuse of state funds and program resources.

## **B. SUMMARY OF REQUEST (continued)**

11. Describe what has changed that makes this request necessary. Explain how the change justifies the current request. Be specific and provide examples.

In 1997, the unit established an Assistant Chief, CEA A, position. At that time, the unit consisted of 54 professional staff and 3 support staff; and the Assistant Chief had 5 direct reports. Since 1997, the unit has grown to over 75 professional staff positions currently filled (10+ vacant positions in process of being filled) and 3 support staff; and the current Assistant Chief now has 10 direct reports. In addition to the staffing growth, the unit's program responsibilities has also grown significantly as noted below. Given these changes, there is a need to adequately staff this area at the leadership level to carry out these critical program responsibilities and provide and promote responsible resource allocation for the OSAE Unit. Below are more details regarding the program growth and increased responsibilities within the unit and the management team.

The unit has acquired additional workload since 1997, including oversight activities for Bond Accountability, the oversight of the dissolution of the state's Redevelopment Agencies, and monitoring activities over the COVID-19 federal funds received by the state and local governments. Additionally, oversight and implementation of the State Leadership Accountability Act (LA) activities has expanded to include outreach and training of state entities' management and staff, collaborating and presenting at CalHR leadership trainings, guest speaking at professional organizations such as the Governance Risk and Compliance Council meetings, development of a reporting portal for state entity reporting of risks and controls, and analysis of LA biennial reports, reporting of statewide risks to Finance and entity management, and monitoring of state entity LA implementation plans to mitigate identified risks.

Activities related to Finance's role with the statewide coordination of the Single Audit has also evolved from the compilation of federal expenditures to performing trend analysis of amounts reported, conducting risk assessments, providing outreach and guidance to state entities, and the development and maintenance of a reporting portal.

The unit's performance of financial and performance audits has also evolved with the implementation of Generally Accepted Government Auditing Standards (GAGAS). The work required is more extensive, and the unit must fulfill certain requirements such as the development and implementation of a quality control system, continuing professional education, conducting internal peer reviews of work performed, and successfully passing external peer reviews. To meet the GAGAS requirements, the unit has established a Quality Management Group (QMG) to provide oversight of the unit's quality control system. The Assistant Chief, along with the Chief, are responsible for the oversight of the QMG activities.

As the work of the unit has evolved and responsibilities within the unit increased due to the growth in the number of staff and expectations for the successful implementation of GAGAS, the addition of an Assistant Chief, CEA A, is necessary to assist with the timely and proper oversight of the unit's policy, administrative, and programmatic activities. The addition of the Assistant Chief, CEA A, will alleviate and assist the current Assistant Chief and Chief with the growing workload resulting in greater efficiencies of the administrative and programmatic operations of the unit.

### **C. ROLE IN POLICY INFLUENCE**

12. Provide 3-5 specific examples of policy areas over which the CEA position will be the principle policy maker. Each example should cite a policy that would have an identifiable impact. Include a description of the statewide impact of the assigned program.

The Assistant Chief, CEA A, will be the principal policy maker in a variety of instances, examples include:

The unit performs a variety of financial and performance audits which span a wide range of state government operations. The results of the audits inform state entity management, Finance management, the Governor's Office, the Legislature, and other members of special interest organizations. Information communicated initiates action of the affected parties, and influences policy through the reports' conclusions, findings, and suggested recommendations. For example, an audit of the California Board of Equalization (BOE) (March 2017) identified significant weaknesses in the governance structure of the BOE. The audit results and testimony by the unit at Legislative hearings served as a catalyst for the Legislature to dismantle the BOE, an institution in place for over 90 years, and create three separate and distinct entities to address the weaknesses identified in the report.

The unit is charged with the oversight and implementation of the State Leadership Accountability Act (LA). LA, codified in Government Code sections 13400 through 13407, was enacted to reduce the waste of resources and strengthen internal control within state entities. LA requires each state entity to maintain effective systems of internal control, to evaluate and monitor the effectiveness of these controls on an ongoing basis, and to biennially report on the adequacy of the agency's systems of internal control. As part of its LA responsibilities, the unit establishes and communicates statewide policy through the development and periodic revision of Government Code and State Administrative Manual sections, the development and issuance of Audit Memos communicating state entity requirements and expectations, preparing and providing training to assist state entities with the identification of risks to their organization and the implementation of mitigating internal controls, partnering with CalHR to train state entity management through its leadership development trainings, developing and maintaining a website with applicable criteria, guidelines, and instructions for state entities to reference, and developing and maintaining a reporting portal to enable the collection, compilation, and analysis of statewide statistics and supporting data. The unit also monitors state entity compliance with the LA reporting requirements and documents via a Non-Compliers List the entities that have not met the reporting requirements. The monitoring, collection, and analysis of LA data informs entity management, Finance management, and other affected agencies such as the Government Operations Agency of potential operational risks that may require mitigation at a statewide level rather than state entity level, for example succession planning. Having established policies assists with the consistency of data gathering, reporting, and transparency.

The unit is responsible for coordinating statewide Single Audit activities by collaborating with state entity leadership and the California State Auditor. The unit facilitates the state's compliance with federal laws and regulations by developing policy regarding the accountability and transparency of federal fund expenditures and reporting requirements, and the monitoring of identified internal control weaknesses. These activities entail the development and maintenance of a reporting portal, development and issuance of reporting guidance, analysis of data gathered including state entity outreach, and the compilation and transmission of the Single Audit report to the federal government. Due to the COVID-19 Pandemic, the unit has absorbed statewide and local government monitoring activities related to the Corona Virus Relief Fund (CRF) and American Rescue Plan Act of 2021 (ARPA) federal funds received in California. The unit's activities entail developing a statewide monitoring framework and establishing the respective policies to ensure state entities and local governments are expending federal funds in compliance with federal guidance and achieving the intended outcomes. The statewide policy developed includes enhancing the Single Audit reporting portal requirements to separately identify CRF and ARPA funds. Further, the CRF and ARPA federal funds impact the unit's statewide Single Audit activities; therefore, the establishment and implementation of critical statewide policies is imperative to protect the federal funds received by California, improper expenditure could result in California being required to refund federal funds to the federal government which could be detrimental to the state.

**C. ROLE IN POLICY INFLUENCE (continued)**

**13. What is the CEA position's scope and nature of decision-making authority?**

This position will manage approximately 37 professional level staff. The position will provide policy-influencing and decision making authority over the assignment area, provide technical policy advice, recommendations and guidance to executive management, and provide significant and complex consulting activities. This position has mid and high level, sensitive contact with the Governor's Office, the Legislature, top agency and department officials, and other governmental entities concerning audit policies and procedures and applicable legislation which directly impacts the state's economy and fiscal health especially as it relates to misuse of state funds and program resources.

**14. Will the CEA position be developing and implementing new policy, or interpreting and implementing existing policy? How?**

This position will be developing and implementing new policy and interpreting and implementing existing policy. Specifically, this position has mid and high level, sensitive contact with the Governor's Office, the Legislature, top agency and department officials, and other governmental entities concerning audit policies and procedures and applicable legislation which directly impacts the state's economy and fiscal health especially as it relates to misuse of state funds and allocation of program resources. This position also serves as a resource for budget and other units within Finance by consulting on budget change proposals and bill analyses impacting statewide policy related to audits, State Leadership Accountability Act, COVID-19 federal funds, or Single Audit activities.